PhilipMorris Flex Fund Book

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2071522890

Source: https://www.industrydocuments.ucsf.edu/docs/lrpm0004

Philip Morris
Flex Fund Book

Purpose of today's meeting:

To present preliminary concepts and ideas for the creation of :

1) *Flex Fund program book*
2) *National Accounts menu ideas*

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Flex Fund Book

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Objectives

- *Create a new "Flex Fund Book" for Retail Masters accounts that:*
  - *Has easy to execute, value-added promotions applicable to all pack outlets*
  - *Emphasizes and rewards retailers' use of Premium Brand promotions,while still offering Marlboro promotions*
  - *Maintains each brands' imagery and integrity*

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The Book:

- *The "Flex Fund Book" will be comprised of two books:*
  - *Programs for the sales force to sell into retailer*
  - *Administrative forms, ordering instructions, etc...*

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The Programs:

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The Programs:

- *Food/ Soft Drink*
- *Coffee*
- *Gasoline*
- *Universal*
- *Raffles/ Single store sweeps*
- *Incentives*

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Book format overview:

- *Program pages will be set up featuring Marlboro at the top and Premium Brands at the bottom.*

- *On most programs Marlboro & Premium Brands will feature the same offer. eg: "x"¢ off fountain drink w/a "x" Pk purchase.*

- ***The Premium Brands section of the page will have a starburst announcing that Flex Funds will cover 100% of the product cost if used for Premium Brands.***

- *The Marlboro section will note that Flex Funds will only cover 50% of the product cost.*

- *The Premium Brands' Kits will be handled as"multibrand" whenever possible*

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Food/Soft Drink: Marlboro and Premium Brands*

- *Free Fountain Drink with a 2 Pk Purchase.*
- *POS Kit Contains:*
  - *Self Shipper*
  - *Dangler for Fountain Drink Area*
  - *Window Poster*

*Retailer will co-fund 50% and Flex Funds will be used for 50% of the product cost for Marlboro Kits.

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Food/Soft Drink (cont'd):

- *Free Collectible Glass with 3 Pk and fountain drink purchase*
  - •• *Marlboro: three different series of glasses will be available*
    - *1st Trimester - Marlboro Music Theme*
    - *2nd Trimester - Marlboro Racing Theme*
    - *3rd Trimester - Marlboro Country Theme*
  - •• *B & H, Virginia Slims & Merit each have own glass for accounts to choose.*
  - •• *Premium Brands to subsidize cost of glasses to make offer richer*
- *POS Kit Contains:*
  - •• *Self Shipper*
  - •• *Series of Glasses*
  - •• *Dangler for Fountain area-used as customization piece*
  - •• *Window Poster*

* Retailer will co-fund 50% and Flex Funds will be used for 50% of the product cost for Marlboro Kits.

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Coffee: Marlboro and Premium Brands*

- *"Free Coffee w/ a 2 Pk purchase*

  - *POS Kit Contains:*
    - *Self Shipper*
    - *Dangler for Fountain Drink Area-used as customization piece*
    - *Window Poster*

*Retailer will co-fund 50% and Flex Funds will be used for 50% of the product cost for Marlboro Kits.

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Coffee (cont'd):

- *Free Commuter Mug with 3 Pk and coffee purchase*
  - •• *Marlboro: Three Different Series of Mugs will be Available*
    - *1st Trimester - Marlboro Music Theme*
    - *2nd Trimester - Marlboro Racing Theme*
    - *3rd Trimester - Marlboro Country Theme*
  - ••*B & H,Virginia Slims & Merit each have own mug for accounts to choose.*
  - •• *Premium Brands to subsidize cost of glasses to make offer richer*

- *POS Kit Contains:*
  - •• *Self Shipper*
  - •• *Glasses*
  - •• *Dangler for Fountain area-used as customization piece*
  - •• *Window Poster*

*Retailer will co-fund 50% and Flex Funds will be used for 50% of the product cost for Marlboro Kits.

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Gasoline: Marlboro and Premium Brands*

- 50¢ off Super Unleaded Gas for each 2-Pack purchased.
- Consumer can get up to a free tank of gas with multiple 2-Pack purchases.
- 2-Packs will be affixed with IRC's each worth 50¢ for retail accountability.

- POS Kit Contains
  - Self Shipper
  - IRCs
  - Pump Toppers
  - Window Poster

*Retailer will co-fund 50% and Flex Funds will be used for 50% of the product cost for Marlboro Kits.

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Universal (Pack): Marlboro and Premium Brands

- *50¢ off in store purchase with 2 pack purchase*
- *POS Kit Contains*
  - *Self Shipper*
  - *IRCs*
  - *Pump Toppers*
  - *Window Poster*

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Universal (Carton or 5-pack): Marlboro and Premium Brands*

- *Carton or Marlboro 5-pack will have a "check" affixed.*
- *The check will be made out to the participating retailer for $2.00 off merchandise in-store.*
- *Consumer must sign front of check and fill in name, age and address on back of check for validation.*
- *Retailer initials check and deposits into bank via normal channels.*
- *The back of all checks must be filled out for retailer to receive payment.*
- *Information from back of checks can be used by PM and/or retailer for database.*

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Raffles/Single Store Sweeps: *(In various price ranges)*

- *Marlboro: Each kit includes a dealer loader and a mailer with entries into a national sweeps.*

  - *Marlboro Music- Sweeps Overlay for Marlboro "GO BACKSTAGE WITH MARLBORO"*
    - *Duffel Bag with Marlboro music logo*
    - *Official Marlboro Music Tour Jacket*
    - *Marlboro Tour Music System - in miniature version of black concert tour boxes that they transport equipment in.*
    - *Marlboro Music Tour Package - Posters, T-Shirts*

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Raffles/Single Store Sweeps:(cont'd):

•• *Marlboro Racing -* *Sweeps Overlay for Trips to Four Marlboro Races*

"IN THE PIT"

- *Marlboro Racing Jacket*
- *Marlboro Racing Bag*
- *Marlboro Racing Hydro Cooler*
- *Marlboro Pit Kit - Car repair/ maintenance kit*

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Raffles/Single Store Sweeps: cont'd):

•• *Marlboro Country- Sweeps Overlay for a "Live Marlboro Country" City -Slickers type package*

- *Marlboro Country Denim Jacket*
- *Marlboro Country Raft*
- *Marlboro Country Ski Jacket*
- *Marlboro Country Mountain Bike*
- *Marlboro Country Rain Parka*

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Raffles/Single Store Sweeps: (cont'd):

- *Premium Brands*

  - *Dealer Loaders are Multibrand with all the Premium Brand logos.*
  - *Items will be displayed in conjunction with national sweepstakes (see next page)*

    - *Cooler (Premium Brand: Coleman®)*
    - *Mountain Bike (Premium Brand: Trek®)*
    - *Raft (Premium Brand: Sevylor®)*
    - *One Man Sail Boat (Premium Brand: Sunfish®)*
    - *Telephone*

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Raffles/Single Store Sweeps: (cont'd):

•• *Accounts have the choice of three "Brand Specific" sweeps overlays for Premium Brand Kits. As an example:*

- *Geared for Benson & Hedges: New custom Cadillac lease every year for 10 years, includes top 50 jazz CD's each year. OR revisit "American Style Sweeps" promoting American products*
- *Geared for Virginia Slims: Fantasy fashion shopping spree. All expense paid trip to New York, London, Paris and Los Angeles with $ to spend in each city.*
- *Geared for Merit: International tour of world's great museums , includes a piece of artwork from contemporary , popular artist*

•• *The Brands will need to underwrite a portion of the costs.*

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Incentive ideas: Collectible Pins- Marlboro:

- *A Series of High Quality Marlboro Pins will be Available.*

- *Kits with 2-Pack deals.*

- *Free pin with purchase.*

- *Three Series of Four Pins Each*
  - *Marlboro Racing Pins*
  - *Marlboro Music Pins*
  - *Marlboro Country Pins*

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Incentive Ideas: Lighters*- Marlboro and Premium Brands

- *"Buy two packs, get a free logo'd lighter***
- *POS Kit Contains:*

  - *Self Shipper*
  - *Window Poster*

* *Cost to retailers of packaged lighter may weaken offer*

***Premium Brands should subsidize cost of lighter vs. Marlboro so that offer is more compelling to retailer*

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Employee Smocks:

- *Employee smocks available with Marlboro logo for account customization with Flex Funds.*

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National Accounts Menu:

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National Accounts Menu:

- *A menu of ideas for National Accounts customization will be available for the Trade Marketing National Accounts group*

- *Approved artwork will be readily available for customized presentations to National Accounts as concepts are chosen*

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National Accounts Menu:

- *Gasoline Offers*
- *In-Store Signage*
- *Event Marketing Partnerships*
- *Direct Mail Opportunities*
- *Store Visits With Vehicles*

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National Accounts Gasoline Offers:

- *All of the offers will have both the Retailer & Marlboro or Premium Brands logos.*

- *Marlboro or Benson & HedgesCompact Disc/Tape offer*

  - *Marlboro Music (C & W) series or B&H jazz*
  - *eg: "Free Marlboro/ Exxon Music CD or Tape with a Marlboro 3 Pack Purchase and an 8 Gallon Exxon Super Unleaded fill up.*

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National Accounts Gasoline offers (cont'd):

- *Marlboro Racing Car Kit*

  - *Quality Automobile Maintenance Kit.*
  - *Has look of something from the Racing Pits.*
  - *eg: "Free Marlboro and Conoco Racing Car Kit with 3 pk Marlboro and 8 Gallon Conoco Super Unleaded fill up"*
  - *As continuity device, week one receive first tool and carrying case, week two the second tool, etc...*

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National Accounts Gasoline offers (cont'd):

- *Marlboro Caps*

  - *Marlboro Country Theme*
  - *eg: "Free Marlboro/ Mobil Cap with a Marlboro 3 Pack Purchase and an 8 Gallon Mobil Super Unleaded fill up."*

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National Accounts In-Store Signage:

- *High Quality Back lit "Can" Signs or Neons*

  - *Three or more signs will be available for customization for each store.*
  - *One with a Marlboro or Premium Brand Logo*
  - *Two are revenue generators.*
    - *The accounts can sell the sign space to other non-tobacco companies.*
    - *The signs are for the accounts use for as long as the Philip Morris sign remains up.*

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National Accounts Partnership in Event Marketing

- *Account is offered the opportunity to partner with the Events Group for Marlboro or Premium Brand Events.*

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National Accounts Partnership in Event Marketing (cont'd):

- *Benefits both Brand and Retailer.*
  - *Marlboro or Premium Brands:*
    - *-- Flex funds help subsidize expenditure for event.*
    - *-- Partnership leverages display opportunities.*
    - *-- Strengthens partnership with participating retailer.*
  - *Retailer:*
    - *-- Gains value from association with Marlboro and Premium Brands' strong brand imagery.*
    - *-- Participates in larger Events that reach their customers at a lesser cost than a solo event sponsorship.*

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Walmart

National Accounts/ Direct Mail Piece:

- *Accounts have the opportunity to purchase space in Marlboro &/or Premium Brand Direct Mail Brochures to reach their smoking customers.*

- *Retailer can feature desired savings on Marlboro /Premium Brands or other offers at their store.*

- *Direct mail piece will be coded by zip code and mailed directly to the retailers desired geography to Marlboro &/or Premium brands' database smokers.*

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National Accounts/ Direct Mail Piece (cont'd):

- *Benefits both Brand and Retailer.*

  - *Marlboro/Premium Brands:*
    - *Flex funds help underwrite expenditure for brochure.*
    - *Adds extra interest to the brochure & value for the consumer.*
    - *Strengthens partnership with participating retailer.*

  - *Retailer*
    - *Gains value from association with Marlboro/Premium brands' strong imagery.*
    - *Delivers message as part of a high quality brochure that would be cost prohibitive to produce alone.*
    - *Leverages valuable, targeted database to effectively reach smokers in own geography.*

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National Accounts/ Store Visits with Vehicles:

- *Accounts have the option to utilize their Flex Funds to receive "Event Van Visits" with Marlboro or one of the Premium Brands at their selected stores.*

- *Vans will bring extra premiums available with designated in-store purchase.*

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National Accounts/ Store Visits with Vehicles (cont'd):

- *Benefits both Brand and Retailer.*

  - *Marlboro/Premium Brands:*
    - *Flex funds help underwrite expenditure for Van Program.*
    - *Live interaction with the Van adds extra interest for the consumer and encourages purchase on the spot to acquire "special" premium.*
    - *Strengthens partnership with participating retailer and leverages display space.*

  - *Retailer:*
    - *Gains value from association with Marlboro/Premium Brands' strong imagery.*
    - *Vans attract consumers to their store-- It's the place to be!*

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